

ECONOMIC POLICY IN PRACTICE

**INTERNATIONAL INFORMATION CENTRE
FOR LOCAL CREDIT**

ECONOMIC POLICY IN PRACTICE

THE ECONOMIC POLICY OF THE CENTRAL GOVERNMENT AND THE
INTERVENTION OF THE LOCAL AUTHORITIES
AND THEIR SPECIALIZED FINANCE INSTITUTIONS THEREIN

*Results of a study carried out
in different countries by the*
INTERNATIONAL INFORMATION CENTRE
FOR LOCAL CREDIT



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FOREWORD

Fluctuations in social prosperity, employment levels and production have long been objects of study. The many works which have been published on this subject give detailed descriptions of the phenomena which accompany these fluctuations, analyse the combinations of circumstances which can lead to upsets in the economic development of a country and examine the methods which can be applied to prevent undesirable variations in certain economic quantities. The present study does not pretend either to add to what is known of the nature and occurrence of trade cycles or to contribute to the theories regarding these, but relates solely to economic policy as applied in practice in a number of countries. The basis of the study is formed by the reports on this subject prepared at the request of the International Information Centre for Local Credit for the eighth conference of the Centre held in Amsterdam in 1965.

The International Information Centre for Local Credit is an institution set up in 1958 with the object of promoting the development of local authority credit by, inter alia, the study of subjects within the purview of the provision of credit to local authorities or closely connected with it. The membership of the Centre includes financial institutions specializing in local authority credit from fifteen different countries. The Centre enjoys consultative status B with the Economic and Social Council of the United Nations.

The greater part of the reports incorporated in this study were compiled at the Centre's request by member institutions, as follows:

Austria	by the Österreichische Kommunalkredit A.G.
Belgium	by the Crédit Communal de Belgique
Denmark	by the Kreditforeningen af Kommuner i Danmark
Federal Republic of Germany	by the Deutsche Girozentrale -Deutsche Kom- munalbank-
France	by the Caisse des Dépôts et Consignations
Italy	by the Cassa Depositi e Prestiti
Japan	by the Koei Kigyo Kinyo Koko (Finance Corpora- tion of Local Public Enterprise)

Netherlands	by the Bank voor Nederlandsche Gemeenten
Norway	by the Kommunal Landspensjonskasse
Portugal	by the Caixa Geral de Depósitos, Crédito e Previdência
Spain	by the Banco de Crédito Local de España
United Kingdom	by the Institute of Municipal Treasurers and Accountants

The report on the United States was compiled by the Centre's secretariat.

The reports on the individual countries are preceded by a general descriptive and analytic section, also compiled by the Centre's secretariat, which reviews the instruments available to the responsible authorities for the implementation of monetary and cyclical policy. Two chapters in this section deal with the influence of economic policy on the local authorities and the co-operation of the local authorities and their specialized finance organs in the carrying into effect of the policy.

We wish to record here our grateful thanks to Dr. H. J. Witteveen, at that time professor in the Netherlands School of Economics, Rotterdam, who at our request has read the report and has given us very useful remarks on the first part of this study, without of course bearing any responsibility for its contents.

We are also indebted to Mr. Lynn A. Stiles, senior economist Federal Reserve Bank of Chicago, for his readiness to read through the report on the United States.

We have been most glad to incorporate their comments in the final version of the text.

The Hague, March 1968.

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